

[Transbay Redevelopment Project - Tax Increment Allocation and Sales Proceeds Pledge Agreement and an Option Agreement.]

Ordinance approving a Tax Increment Allocation and Sales Proceeds Pledge Agreement and an Option Agreement for the Transbay Redevelopment Project Area between the City and County of San Francisco, the Transbay Joint Powers Authority and the Redevelopment Agency of the City and County of San Francisco; making environmental findings and findings of consistency with the City's General Plan and the Eight Priority Policies of City Planning Code Section 101.1; authorizing other steps to implement the Transbay Redevelopment Plan; and adopting other findings pursuant to the California Community Redevelopment Law, including findings pursuant to Sections 33445 and 33679.

Note: Additions are single-underline italics Times New Roman;
deletions are ~~strikethrough italics Times New Roman~~.
Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings.

(a) On June 21, 2005, this Board, in Ordinance No. 124-05 (the "Plan Ordinance"), adopted the Redevelopment Plan for the Transbay Redevelopment Project Area (the "Redevelopment Plan") solely for the purpose of establishing a base year for tax increment financing, but did not otherwise authorize the implementation of the Redevelopment Plan in accordance with the California Superior Court's order in Myers Natoma Venture, LLC v. City and County of San Francisco, et al (No. CPF 04-504-363, May 26, 2005), which had stayed implementation of the Redevelopment Plan. Said Ordinance is on file with the Clerk of the Board of Supervisors in File No. 050184 and incorporated herein by reference.

1 (b) On November 10, 2005, the California Court of Appeal, in City and County of
2 San Francisco, et al v. The Superior Court of San Francisco County, No. A110296, reversed
3 and vacated the above-referenced Superior Court's judgment.

4 (c) This Board may now take additional actions to allow implementation of the
5 Redevelopment Plan adopted by the Plan Ordinance.

6 (d) The Redevelopment Plan establishes a redevelopment project area for an
7 approximately 40-acre area generally bounded by Mission Street in the north, Main Street in
8 the east, Folsom Street in the south, and Second Street in the west.

9 (e) The Redevelopment Plan's objectives are to: (1) redevelop over 12 acres of vacant
10 land as high-density, transit-oriented residential projects; (2) construct approximately 3,400
11 housing units of which approximately 1,200 would be affordable to very low- to moderate-
12 income households; (3) implement Development Controls and Design Guidelines to ensure
13 that new development provides a high-quality, livable community; (4) create streetscape and
14 public open space improvements throughout the new project area; and (5) promote the
15 construction of a new Transbay Transit Center and Caltrain Downtown Extension and access
16 ramps (collectively, the "Project") as a multi-modal transit facility.

17 (f) In connection with the Board's adoption of the Redevelopment Plan and pursuant to
18 Section 33352 of the California Health and Safety Code (part of the Community
19 Redevelopment Law), the Agency prepared and submitted to the Clerk of the Board (i) a
20 Report on the Redevelopment Plan (the "Report on the Redevelopment Plan") and (ii) a
21 Summary of Public Benefit Findings Pursuant to California Health and Safety Code Sections
22 33445 and 33679 (the "Summary"). The Report on the Redevelopment Plan and the
23 Summary have been made available to the public before the date of the hearing on this
24 Ordinance and are on file with the Clerk of the Board of Supervisors in
25 File No. 050184 and are incorporated herein by reference.

1 (g) The City intends to aid and cooperate with the Redevelopment Agency of the City
2 and County of San Francisco (the "Agency") to undertake and complete proceedings and
3 actions necessary to be carried out by the City under the provisions of the Redevelopment
4 Plan pursuant to California Health and Safety Code Sections 33220, 33343, 33344 and
5 33370, part of the California Community Redevelopment Law.

6 (h) On July 8, 2003, this Board adopted Resolution No. 441-03, a copy of which is on
7 file with the Clerk of the Board of Supervisors in File No. 030997 and is incorporated herein by
8 reference, and authorized the Mayor and officers of the City to execute a Cooperative
9 Agreement dated July 11, 2003 (the "Cooperative Agreement"), amongst the State of
10 California acting by and through its Department of Transportation (the "State"), the City, and
11 the Transbay Joint Powers Authority (the "TJPA").

12 (i) The Cooperative Agreement assists the local and regional authorities that are
13 members of the TJPA in their efforts to construct the Project by transferring specified parcels
14 owned by the State (the "State-Owned Parcels") to the City and the TJPA and also requires,
15 among other things, that all gross sales proceeds and a portion of tax increment revenues
16 from the State-Owned Parcels (the "Net Tax Increment" as defined in the Cooperative
17 Agreement) are to be paid to the TJPA for the construction of the Project.

18 (j) To implement the covenants in the City's Cooperative Agreement to provide all
19 Gross Sales Proceeds (as defined in the Cooperative Agreement) and Net Tax Increment
20 associated with the sale and development of the State-Owned Parcels to the TJPA for the
21 construction costs of the Project, the City, the Agency, and the TJPA propose to enter into a
22 Tax Increment Allocation and Sales Proceeds Pledge Agreement that pledges the payment of
23 Net Tax Increment and Gross Sales Proceeds from the sale of the State-Owned Parcels (the
24 "Pledge Agreement"). The Pledge Agreement is on file with the Clerk of the Board of
25 Supervisors in File No. 050184 and is incorporated herein by reference.

1 (k) In accordance with California Health and Safety Code Section 33679: (1) a
2 notice of a public hearing has been published in the San Francisco Examiner, a newspaper of
3 general circulation, during the two successive weeks preceding the public hearing on the
4 proposed Tax Increment and Sales Proceeds Pledge Agreement; and (2) the Summary,
5 which contains information justifying the use of tax increment (including (a) the estimate of
6 tax increment revenues proposed to be used to pay for construction of the Project, (b) the
7 facts supporting the determination required under California Health and Safety Code Section
8 33445, and (c) the redevelopment purposes for which the tax increment revenues are being
9 used to pay for the construction of Transbay Terminal Project) has been made available for
10 public review at the time of the first publication of the notice of the public hearing. A copy of
11 said notice is on file with the Clerk of the Board of Supervisors in File No. 060347
12 and is incorporated herein by reference.

13 (l) To facilitate the sale and development of those State-Owned Parcels that are not
14 needed for the Project, the City and the TJPA propose to enter into an Option Agreement with
15 the Agency (the "Option Agreement") whereby the Agency will acquire such State-Owned
16 Parcels for disposition, subject to final approval by this Board, and development consistent
17 with the Redevelopment Plan. The Option Agreement is on file with the Clerk of the Board of
18 Supervisors in File No. 050184 and is incorporated herein by reference.

19 (m) On December 9, 2004, the Planning Commission conducted a duly noticed public
20 hearing on conformance of the Transbay Redevelopment Plan and related implementing
21 documents with the General Plan. Following such hearing, the Planning Commission, in
22 Motion No. 16907, found the Redevelopment Plan and related documents consistent
23 with the General Plan. Said Motion is on file with the Clerk of the Board in
24 File No. 050184 and is incorporated herein by reference.

25 Section 2. General Plan Findings.

1 The Board of Supervisors adopts, as its own, the findings in Planning Commission
2 Motion No. 16907 that the real estate transactions authorized on the terms and conditions in
3 the Option Agreement are (i) consistent with the General Plan and (ii) in conformity with the
4 Priority Policies of Section 101.1 of the Planning Code.

5 Section 3. Environmental Findings.

6 (a) On September 28, 2004, this Board, in Resolution No. 612-04, adopted findings
7 that various actions related to the Project complied with the California Environmental Quality
8 Act (California Public Resources Code sections 21000 et seq.). Said findings and all
9 documents and materials related to said findings are on file with the Clerk of the Board of
10 Supervisors in File No. 041079 and are incorporated herein by reference. Said findings
11 remain valid for the actions contemplated in this Ordinance and are made part of this
12 Ordinance by reference herein. Said findings also are supplemented by the environmental
13 findings that the Planning Commission, in Motion No. 16905, adopted on December 9, 2004.
14 Said Motion is on file with the Clerk of the Board in
15 File No. 050184 and is incorporated herein by reference.

16 (b) The Board of Supervisors finds, on the basis of substantial evidence, in light of
17 the whole record, including the California Court of Appeal decision in Case No. A110296
18 cited above, that (1) no substantial changes to the Transbay Redevelopment Plan and its
19 implementation have occurred that require important revisions to the previously certified Final
20 Environmental Impact Statement/Final Environmental Impact Report (FEIS/FEIR) due to the
21 involvement of new significant environmental effects or a substantial increase in the severity
22 of significant environmental effects discussed in the FEIS/FEIR; (2) no substantial changes
23 have occurred with respect to the circumstances under which the Transbay Redevelopment
24 Plan is to be undertaken which would require major revisions to the previously certified
25 FEIS/FEIR, and (3) no new information of substantial importance has become available since

1 the certification of the FEIS/FEIR that indicates any of the following: (a) the Transbay
2 Redevelopment Plan will have significant effects not discussed in the FEIS/FEIR,
3 (b) significant environmental effects will be substantially more severe than previously
4 discussed in the FEIS/FEIR, (c) mitigation measures or alternatives previously found not
5 feasible which would reduce one or more significant effects have become feasible, or
6 (d) mitigation measures or alternatives which are considerably different from those in the
7 FEIS/FEIR would substantially reduce one or more significant effects of the Transbay
8 Redevelopment Plan on the environment.

9 Section 4. Community Redevelopment Law Findings.

10 The Board of Supervisors finds that pursuant to Sections 33445 and 33679 of the
11 California Health and Safety Code and as further detailed in the Summary, the Report on the
12 Redevelopment Plan, and other matters in the record before it: (1) the Project will help to
13 revitalize the Redevelopment Plan Area and stimulate private investment; (2) the Project is a
14 public benefit, is a central part of the Redevelopment Plan, and will particularly benefit the
15 Redevelopment Plan Area; (3) the estimated Agency obligation for the tax increment revenue
16 that is pledged by the proposed Tax Increment Allocation and Sales Proceeds Pledge
17 Agreement to the Project is \$231 million (in constant FY 2005/06 dollars); (4) no other
18 reasonable means of financing the Project is available; and (5) the use of Agency funds to
19 construct the Project will assist in the elimination of blight in the Redevelopment Plan Area,
20 specifically, a dilapidated terminal building, which will be replaced by the Project.

21 Section 5. Additional Actions and Approvals.

22 (a) In accordance with Sections 33220, 33343, 33344, 33370, and 33374 of the
23 Community Redevelopment Law, the Board of Supervisors reaffirms its intent, as originally
24 expressed in the Redevelopment Plan Ordinance, to undertake and complete actions and
25 proceedings necessary to be carried out by the City under the Redevelopment Plan and

1 related Plan Documents (as defined in the Redevelopment Plan), including but not limited to
2 ensuring that the Department of Building Inspection advises all applicants for building permits
3 in the Project Area, for a period of two years after adoption of the Redevelopment Plan, that
4 the site for which a building permit is sought is within a redevelopment project area.

5 (b) The Board hereby adopts and approves the Tax Increment and Sales Proceeds
6 Pledge Agreement and authorizes the Mayor and the Controller to execute said Agreement.

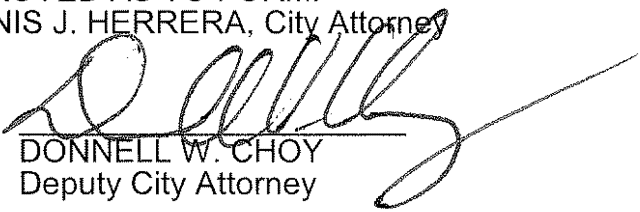
7 (c) The Board hereby adopts and approves the Option Agreement and authorizes the
8 Director of Property to execute said Option Agreement.

9 (d) The Board of Supervisors also authorizes and urges the Mayor and other
10 applicable officers, commissions, and employees of the City to take any and all steps as they
11 or any of them deem necessary or appropriate, in consultation with the City Attorney, in order
12 to cooperate with the Agency in the implementation of the Redevelopment Plan and to
13 effectuate the purposes and intent of the Redevelopment Plan and this Ordinance, including,
14 but not limited to (i) the execution and delivery of any and all agreements, notices, consents
15 and other instruments or documents (including execution by the Mayor, or the Mayor's
16 designee, of any agreements to extend any applicable statutes of limitation) and (ii) the
17 institution and completion of proceedings for the closing, vacating, opening, acceptance of
18 dedication and other necessary modifications of public streets, sidewalks, street layout and
19 other rights-of-way in the Transbay Redevelopment Project Area.

20 (e) The Board directs the Clerk to transmit a copy of this Ordinance to the Agency,
21 which is vested with the responsibility for carrying out the Redevelopment Plan.

22 APPROVED AS TO FORM:
23 DENNIS J. HERRERA, City Attorney

24 By:

25 
DONNELL W. CHOY
Deputy City Attorney



City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 060347

Date Passed:

Ordinance approving a Tax Increment Allocation and Sales Proceeds Pledge Agreement and an Option Agreement for the Transbay Redevelopment Project Area between the City and County of San Francisco, the Transbay Joint Powers Authority and the Redevelopment Agency of the City and County of San Francisco; making environmental findings and findings of consistency with the City's General Plan and the Eight Priority Policies of City Planning Code Section 101.1; authorizing other steps to implement the Transbay Redevelopment Plan; and adopting other findings pursuant to the California Community Redevelopment Law, including findings pursuant to Sections 33445 and 33679.

May 2, 2006 Board of Supervisors — PASSED ON FIRST READING

Ayes: 10 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, McGoldrick,
Mirkarimi, Peskin, Sandoval
Excused: 1 - Maxwell

May 9, 2006 Board of Supervisors — FINALLY PASSED

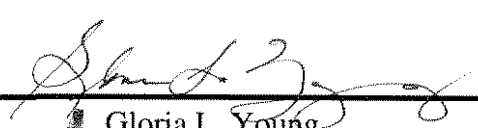
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell,
McGoldrick, Mirkarimi, Peskin, Sandoval

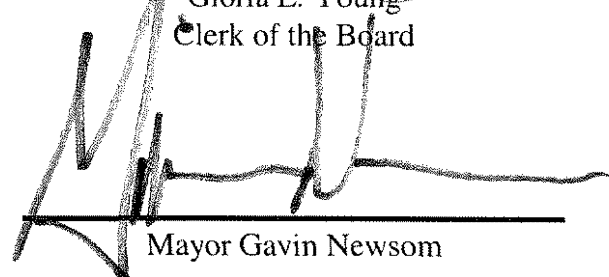
File No. 060347

I hereby certify that the foregoing Ordinance
was **FINALLY PASSED** on May 9, 2006 by
the Board of Supervisors of the City and
County of San Francisco.

5/19/06

Date Approved


Gloria L. Young
Clerk of the Board


Mayor Gavin Newsom